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Senate probers deny that bugging and blackmail affected canal talks

Associated Press

WASHINGTON — Senate investigators looking into an allegation of eavesdropping and blackmail in the Panama Canal treaty talks said yesterday that they had found "no evidence" that U.S. intelligence activities affected the outcome of the negotiations.

Sen. Daniel K. Inouye (D., Hawaii), chairman of the intelligence committee, made the statement after two days of closed-door hearings in which testimony was taken from Adm. Stansfield Turner, director of the CIA, and U.S. treaty negotiators Ellsworth Bunker and Sol Linowitz.

Officials of both Panama and the United States have denied that threats of bribery or blackmail were part of the treaty talks. But U.S. of-

ficials would neither confirm nor deny that electronic surveillance had been conducted.

State Department officials said that it was against policy to talk about intelligence-gathering, and Sen. Inouye said that his committee's members were prohibited by law from discussing it.

The canal treaties were signed nearly two weeks ago by President Carter and the Panamanian chief of state, Brig. Gen. Omar Torrijos Herrera.

The controversial agreement provides that the United States relinquish control of the waterway to Panama by the year 2000, a plan assailed by critics as a "giveaway."

The Senate Foreign Relations Committee has scheduled hearings on the

pact beginning next week. It faces strong resistance in the Senate, where a two-thirds vote is needed for ratification. Treaty foes have begun a campaign to discredit Torrijos and thereby block the treaty.

Senate sources said that the allegations of eavesdropping and blackmail concerned an incident in early 1974, when then-Secretary of State Henry A. Kissinger and Panama's foreign minister, Juan Antonio Tack, signed documents setting forth the principles for the treaty negotiations.

According to the sources, Torrijos learned from an unidentified U.S. Army sergeant that U.S. agents had been conducting electronic surveillance of his home and offices. Torrijos threatened to expose the practice unless the Americans agreed to make key concessions on the treaties, the sources said.

As a result of the bugging, the United States had compiled a damaging dossier on Torrijos' personal habits, according to the sources, who are close to congressional opponents of the agreement.

Inouye and Turner would neither confirm nor deny that the alleged incidents were the subject of the Senate panel's inquiry. Inouye replied "no comment" when asked when the incidents being investigated allegedly occurred.

The senator's carefully phrased statement specified only that the final form of the treaties had not been influenced by the alleged incidents.

"The committee has conducted conversations concerning certain aspects of the Panama Canal treaty. It has found no evidence or reason to believe or conclude that U.S. intelligence activities in any way have affected the final results of the Panama Canal treaties," Inouye said in his statement.